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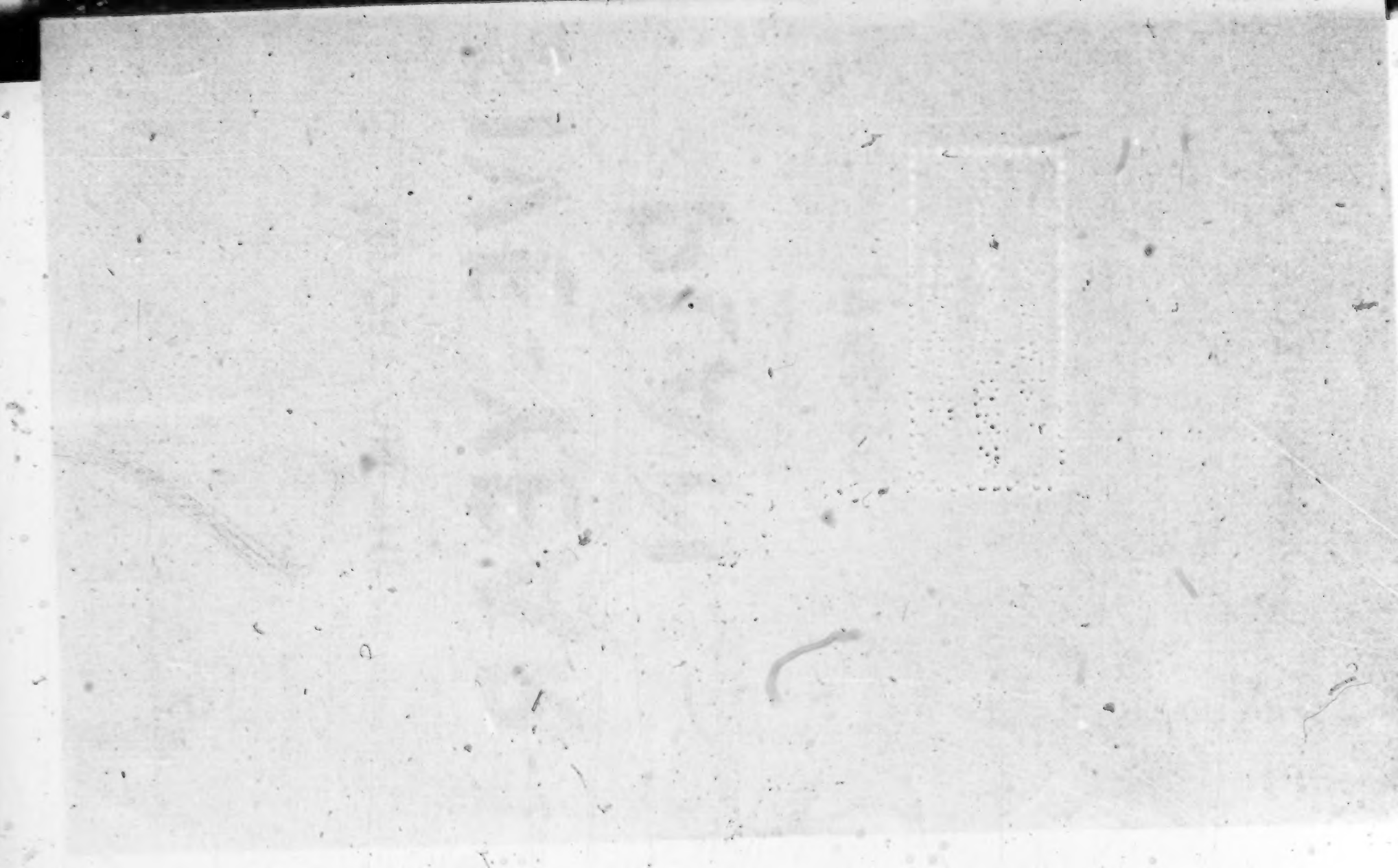
REPORT ON THE

# FIVE-YEAR PLAN

1946-50

N. A. VOZNESENSKY



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N. A. VOZNESENSKY
Chairman of the State Planning Commission
of the U.S.S.R.

# FIVE-YEAR PLAN

## FOR THE REHABILITATION AND DEVELOPMENT OF THE NATIONAL ECONOMY OF THE USSR

## 1946-50

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REPORT

made at the first Session of the Supreme Soviet of the U.S.S.R. on March 15, 1946

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*N. A. Voznesensky, Chairman of the State Planning Commission.*

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COMRADES Deputies, the Council of People's Commissars of the U.S.S.R. submits for your consideration a Five-Year plan for the rehabilitation and development of the national economy of the U.S.S.R. in the period 1946 to 1950.

## I.

## PRINCIPAL AIMS OF THE FIVE-YEAR PLAN FOR THE REHABILITATION AND DEVELOPMENT OF THE NATIONAL ECONOMY OF THE U.S.S.R.

THE peoples of the Soviet Union are able to return to peaceful labour thanks to a great epoch-making victory—the rout of Hitler Germany and the defeat of Japanese imperialism. The U.S.S.R. has scored a complete military, economic and political victory over German and Japanese imperialism. From now on our country will be free from the menace of German invasion in the West and of Japanese invasion in the East.

The victory of the U.S.S.R. is a victory for the Soviet social system born of the Great October Socialist Revolution. The social system of the Soviet Union is based on the socialist ownership of the means of production. The concentration of the major means of production in the hands of the Soviet state made it possible to switch the national economy of the U.S.S.R. rapidly on to a war footing. Prerevolutionary Russia was unable, with private ownership dominating the means of production, to overcome the handicap of the low development of her productive forces, and this caused her insuperable difficulties during the First World War. In the U.S.S.R. the exploiting classes had been abolished long before the outbreak of the Patriotic War; the landowning class had been abolished as a result of the victorious outcome of the Civil War; and with the victory of socialism the capitalist class ceased to exist in the industrial field, the kulaks ceased to exist in the agricultural field, and the merchants and speculators disappeared from the field of trade.

The victory of the socialist system and the radical changes in the class structure of our society ensured the moral and political unity of the peoples of the U.S.S.R.,

the durable alliance of the working class and the peasantry and the unbreakable friendship of all the peoples who form the great Soviet Union.

The victory of the U.S.S.R. is a victory for the Soviet state system. The elections to the Supreme Soviet of the Union of Soviet Socialist Republics was one more proof of the indestructible virility and strength of the Soviet state system. Whereas 91,100,000 voters took part in the elections in 1937, 101,500,000 voters took part in 1946, and of these 100,600,000 cast their votes for the Communist and non-Party bloc. This is a manifestation of the supreme Socialist democracy and the strength of the multi-national Soviet state. One distinguishing feature of the Soviet system is its ability in a crisis to mobilise immense reserves and, by the heroic labour of its people, to supply the needs of war by domestic production. The working people of the Soviet rear, primarily the working class of the Soviet Union as well as the Soviet peasantry and intelligentsia, our devoted women and young people, performed heroic deeds and gained the economic victory over the enemy. The guiding force of the Soviet people and of their State system was the Communist Party, the Bolsheviks, the party of Lenin and Stalin, under whose leadership the whole multi-national Soviet Union was consolidated into a single armed camp.

The victory of the Soviet Union is a victory for the Soviet armed forces, a victory for the Red Army under its great leader, Stalin.

In the Patriotic War were forged the Stalin military strategy and tactics, incorporating the experience of Suvorov and Kutuzov and the experience of modern warfare, and enriched by new weapons of war. The Stalin science of victory, the new tactics of combining fire and movement imbued the Red Army with an immense strength, which it wielded for the destruction of the enemy. For generations and generations to come the Stalin science of victory will be an unfailing wellspring of wisdom and heroism. The victory of the Soviet Union is a victory for Leninism, a supreme victory for the genius of Stalin. The Soviet Union is indebted to the great Stalin for the iron steadfastness and inflexible will displayed in directing all the forces and resources of the peoples of the Soviet

Union for the defeat of Hitler Germany and Japanese imperialism.

The epoch-making victory of the Soviet Union could only be achieved because all the material potentialities of the country had been made ready for active defence beforehand. The material potentialities for our victory were built up by the consistent policy of industrialising the country and collectivising agriculture. During the Great Patriotic War these material potentialities were drawn upon to the full by the Communist Party and the Soviet Government. The Patriotic War necessitated the immediate placing of Soviet economy on a war footing. The State Committee of Defence, set up under Stalin, in which all power was concentrated, secured the fullest mobilisation of our economic resources for the needs of the Patriotic War.

If we compare a few figures of the war economy of Russia in the First World War and the economy of the U.S.S.R. in the Second World War, we shall see how the Soviet Government and the Communist Party utilised the potentialities of the socialist system. The gross output of large-scale industry in Russia during the period 1915-1917 amounted to 33,000 million roubles; in the U.S.S.R. (mainly in the eastern regions of the country) during the period 1942-44 it amounted to 361,000 million roubles (measured in the same prices), or almost 11 times as much; the production of grain for the market similarly increased two and a-half times; the average annual freight carried by the railways of the U.S.S.R. during the period 1942-44 was 3.4 times as great as that of Russia in the period 1915-17.

At the time of the First World War scarcely any tanks or aircraft were produced in Russia; during the last three years of the Patriotic War the U.S.S.R. produced over 30,000 tanks and self-propelled guns and about 40,000 aircraft per annum. The average annual output of guns in Russia during the last three years of the First World War was about 3,900; the average annual output of the U.S.S.R. during the last three years of the Patriotic War was about 120,000 guns, or 30 times as many. Russia produced in the last three years of the First World War 8,900 machine-guns and light automatics per annum; the U.S.S.R. in the last three years of the Patriotic War annually turned

out about 450,000 machine-guns, or 50 times as many. During the last three years of the First World War Russia produced about 1,050,000 rifles a year; in the U.S.S.R. during the last three years of the Patriotic War about 5,000,000 rifles were produced every year, or five times as many. During the last three years of the First World War Russia produced 6,200 mortars per annum; in the U.S.S.R. 100,000 mortars were produced in each of the last three years of the Patriotic War, i.e., 16 times as many. During the last three years of the First World War, Russia produced annually about 16,300,000 shells, bombs and mortar bombs; in 1944 the U.S.S.R. produced 240,000,000 such items, or 15 times as many. Such were the results of the development of our productive forces on the basis of socialist production as they made themselves felt during the Great Patriotic War, despite the temporary occupation of a considerable part of the Soviet Union's rich industrial and agricultural areas.

There was a time in the history of the Soviet Union's war economy when a large part of its war industry was in transit to the East. Tens of thousands of machine tools, drop hammers, presses and turbines were transplanted. Thousands of workers, engineers and technicians went with them. This was a unique period, a period when the productive forces of the U.S.S.R. were being shifted bodily eastward. The enemy was at the gates of our sacred capital, Moscow. At times things were critical for the U.S.S.R. No other social and political system, no other army could have stood such a military and economic test. It was one that only the Soviet state, only our people and the Communist Party, headed by the great Stalin, could measure up to. And now the war has ended, ended in an epoch-making victory. And the Soviet land has resumed its victorious march towards Communism.

With the end of the Second World War and the consequent transition to peace, the peoples of the Soviet Union were confronted with a new task—that of switching the war economy to a peace footing. The Soviet Union has again entered a peaceful period of economic development.

"The task now confronting the Soviet people is, first to consolidate the positions won, and then to march on to new economic achievements." (Stalin.)

In capitalist countries the conversion from war to peace economy is governed by laws of its own, peculiar to capitalism. In the United States of America the highest level of industrial output was reached in October, 1943. After that, industrial output in America never attained this level again, and by the end of 1945 it had fallen more than one third, which made it approximate the level of 1941.

Reduction in output in the United States has already led to increased unemployment. In Great Britain, which before the Second World War had been through a protracted period of depression, the old problems have arisen again. Great Britain, as we know, cannot exist without importing raw materials and food. But to import raw materials and food and to pay for them, you must export largely, you must have foreign exchange and must restore your industry, so that it can produce cheap goods for export. However, the world market has been badly upset by the Second World War, and it is falling more and more into the hands of the United States, whose productive forces are more highly developed.

The Union of Soviet Socialist Republics is striding confidently forward, strengthening and developing the socialist system, fearing no economic crises, depressions or unemployment, step by step reorganising the national economy and constantly accelerating the speed of economic restoration and development on the basis of state plans, which in the U.S.S.R. have the force of laws of economic development. The U.S.S.R. will continue to develop economic relations with foreign countries, at the same time adhering to the tried and tested policy of the Soviet Government designed to ensure the Soviet Union's technical and economic independence.

The Patriotic War enhanced and strengthened the position of the Soviet Union in international affairs. It has been a great victory. But he who grows conceited and allows succes to turn his head always loses in the end. The Communist Party, therefore, calls the people of the Soviet Union to new tasks, to restore and develop the national economy and to lay the groundwork for a further economic advance.

The main economic and political purpose of the Five-Year Plan of the U.S.S.R. for 1946-50 is *to rehabilitate*

*the war-ravaged regions of the country, to restore industry and agriculture to their pre-war level, and then to surpass this level considerably.* Accordingly, the Five-Year Plan for the restoration and development of the national economy outlines the following tasks:

The *first task* is to increase industrial output to nearly one and a-half times the pre-war level and *first and foremost to restore and develop heavy industry and the railways.* Without this the rapid and successful rehabilitation and development of the whole national economy of the U.S.S.R. will be impossible. Unless heavy industry is quickly restored the technical and economic independence of the country cannot be secured. If this is delayed we shall forfeit those material advantages which in the period of the Patriotic War ensured our military, economic and political victory. In 1946 we must complete the post-war reconversion of our national economy and employ the production capacity of war industry to enhance further the economic strength of the Soviet Union.

The *second task* is to increase the output of agriculture and of the industries producing consumer goods so as to ensure the material well-being of the peoples of the Soviet Union and the *creation of an abundance of the chief consumer goods in the country.* We must surpass the pre-war level of national income and of national consumption, and abolish the rationing system in the near future, replacing it by a widely ramified and efficient trade system. We must devote particular attention to extending the production of consumer goods and to raising the living standards of the working people by consistently reducing the prices of goods. These tasks in turn require that the currency and the Soviet rouble be placed on a firmer footing.

The *third task* is to ensure *further technical progress in all branches of the national economy of the U.S.S.R.* This is essential for a big increase in output and a rise in the productivity of labour. For this purpose it is necessary not only to overtake but to surpass the scientific advances outside the U.S.S.R. in the near future. The acceleration of socialist reproduction in all branches of the national economy will be increasingly dependent upon technical progress and its utilisation in the people's interests. In capitalist countries, technical progress is at

odds with the political and economic organisation of society. It is our task to employ the advantages of the Soviet social system to ensure rapid and ceaseless technical progress in our country. The history of our country knows many innovators and revolutionaries in science and technology who have made discoveries of world-wide importance. It is sufficient to recall Popov, the eminent physicist and inventor of radio which continues to make revolutions in science and is the basis of radar; Mendeleyev, one of the world's greatest chemists, who discovered the Periodic Law, that fundamental chemical law which, even in our day, assists scientists delving into the secrets of atomic energy; Zhukovsky, a world-famous scientist who laid the theoretical foundations of modern aerodynamics and aviation; Tsiolkovsky, the outstanding scientist and inventor who developed the theory of rocket propulsion, which is the basis of modern jet propulsion technique and which antedated similar investigation abroad. Give our scientists proper help and Soviet science will surpass the latest achievements of science in other countries.

The *fourth task* is to *ensure a high rate of socialist accumulation* by providing centralised capital investments, totalling 250,000 million roubles, for the restoration and development of the national economy of the U.S.S.R. during the five-year period, and also by starting new and restored enterprises valued at 234,000 million roubles. In addition to restoring the economy of the devasted regions the five-year plan provides for the further economic development of all the constituent republics and economic districts of the U.S.S.R. Not only will the basic capital of the U.S.S.R. be restored when the plan for capital development is fulfilled, but in 1950 it will have increased to 1,130,000 million roubles (in State prices), exceeding the pre-war basic capital throughout the territory of the U.S.S.R. by 8 per cent. The programme of capital development will require the creation of a mighty building industry and a 12 per cent. annual growth in the volume of capital construction.

The *fifth task* is to increase further the defensive power of the U.S.S.R. and to *equip the armed forces of the Soviet Union with the newest weapons*. The Soviet people want to see their armed forces still stronger and more powerful in order to guarantee their country against all surprises and to be able to safeguard peace. In the east and in the west the

historical frontiers of the Soviet Union have been restored. South Sakhalin and the Kurile Islands will no longer serve as a means of keeping the Soviet Union cut off from the ocean and as a base for Japanese attack on our Far East, but will be a means of direct contact between the Soviet Union and the ocean and a base for the defence of our country against Japanese aggression. The free and democratic Polish state will longer be a springboard for German attack on our Western frontiers; she is now our ally in defence against German aggression. However, Stalin has warned us that " the peace-loving nations may again in the future be caught unawares by aggression, unless, of course, they devise now special measures which can prevent aggression." We must not forget that monopoly capitalism is capable of producing new aggressors. To prevent new aggression, the aggressor nations must be completely disarmed, they must be subjected to military and economic control, and we must have in the United Nations Organisation a body which will stand guard over international peace and security and will be capable of maintaining peace and preventing new aggression. The fighting forces of the Soviet Union must be strengthened, we must be constantly concerned to equip them with the latest modern weapons, and to strengthen further the military and economic might of the Soviet State.

The Five-Year Plan, while providing for the restoration and development of the national economy of the U.S.S.R. at the same time marks the resumption of the path of the development of Soviet society which was outlined at the 18th Congress of the C.P.S.U. (B), but which was temporarily interrupted by Hitler Germany's treacherous attack on the U.S.S.R. This envisages the completion of the building of a classless socialist society and the gradual transition from socialism to communism. It envisages the accomplishment of the basic economic task of the U.S.S.R. namely, to overtake and surpass the main capitalist countries economically, as regards the volume of industrial production per head of the population. The Five-Year Plan for the rehabilitation and development of the national economy of the U.S.S.R. in 1946-50 is a further step forward in this direction. Our banner is the scientific communism of Marx, Engles, Lenin and Stalin. Under this banner we shall achieve new victories in the march to communism.

## II.

# PLAN FOR INCREASED PRODUCTION AND CAPITAL DEVELOPMENT

THE Five-Year Plan defines the rate and level of production of 1946-50 in conformity with the main economic and political aims of the new period of peaceful development of the U.S.S.R.

### Industry

The gross output of all industry in the U.S.S.R. in 1950, the last year of the Five-Year Plan for the rehabilitation and development of the national economy of the U.S.S.R., is fixed at 205,000 million roubles (in 1926-27 prices), which represents an increase of 48 per cent. over the pre-war level; in the areas that suffered from occupation industrial production is to exceed the pre-war level by 15 per cent. To ensure such a substantial increase in output, the Five-Year Plan provides for the rapid development of socialist industry. During the restoration period of 1921-26 the annual increase in output amounted to 2,049 million roubles, in the First Five-Year Plan period to 5,478 million roubles, in the Second Five-Year Plan period to 10,438 million roubles, and during the three years of the Third Five-Year Plan period to 14,316 million roubles. During the five years 1946-50 output will have to be increased by 15,600 million roubles annually. The rate of increase in the output of means of production will be somewhat higher than that of consumer goods.

In the *iron and steel industry*, upon whose progress the restoration and development of the entire national economy of the U.S.S.R. depends, production of pig iron is to be increased to 19,500,000 tons and of steel to 25,400,000 tons, which will exceed the pre-war output of metal by 35 per cent. To restore and further develop the iron and steel industry, 45 blast furnaces, 180 open-hearth furnaces and converters, 90 electric furnaces and 104 rolling mills are to be put into operation in these five years. The output of non-ferrous and rare metals is to be increased to an extent which will enable the demands of the national economy to be fully covered by home production. Production of copper is being increased 1.6 times as compared with the pre-war level, aluminum 2 times, magnesium 2.7

times, nickel 1.9 times, lead 2.6 times, zinc 2.5 times, tungsten concentrates 4.4 times, molybdenum concentrates 2.1 times, and tin 2.7 times; the output of new rare metals is to develop at an equal or even faster rate.

In the *fuel industry* output of coal will rise to 250,000,000 tons in 1950, a 51 per cent. increase over the pre-war figure. A new branch, the concentration and briquetting of coal, is being created almost from scratch, all coking coals with an ash content higher than 7 per cent. and all coals used for power-producing purposes with an ash content higher than 10 per cent. are to be concentrated, which will make for greater efficiency in its utilisation and cut haulage of fuel; machinery in the coal industry will be increased to three or four times the pre-war level; in this five-year period collieries with an aggregate capacity of 183,000,000 tons, 277 coal concentration plants with a total capacity of 184,000,000 tons, and 26 coal briquetting plants with a total output capacity of 10,000,000 tons annually are to be put into operation. New branches of the fuel and power industry are being created or developed, such as those for the manufacture of synthetic liquid fuel, with an annual output of 900,000 tons, and a gas industry with an annual output of 11,200 million cubic metres*. Production of oil is to increase to 35,400,000 tons, which will be 14 per cent. above pre-war figures. The share of the eastern regions of the U.S.S.R. in the total oil output is to rise from 12 per cent. in 1940 to 36 per cent. in 1950.

As regards *electricity* an increase of power production to 82,000 million kilowatt-hours is provided for, a rise of 70 per cent. over the pre-war level; the share of hydro-electric stations in the total power output is to rise from 10.5 per cent. in 1940 to 15.2 per cent. in 1950; the power grids will have permanent reserve capacities to ensure the uninterrupted supply of power for the national economy and a power supply of high efficiency. For this purpose electric stations with a capacity of 11,700,000 kw. are to be put into operation during the five-year period, of which 3,300,000 kw. will be provided by big and small hydro-electric stations.

In the *machine-building industry*, which will play a leading part in promoting our technical progress, the output of machinery and equipment in 1950 is to be double the

* 1 cubic metre of gas = 35.315 cubic feet.

pre-war level; output of machinery for the iron and steel industry is to increase 3.7 times, the production of motor vehicles is to increase to 500,000 annually, or 3.4 times, the production of locomotives is to increase 2.4 times, of tractors 3.6 times, and electrical equipment 2.5 times. To provide for automatic control and operation of industrial processes and to supply the needs of practical and theoretical experimental work instrument manufacture is to be highly developed; production of optical-mechanical and electrical measuring instruments in 1950 will be seven times that of 1940.

In the *chemical industry* production in 1950 will be 1.5 times that of the pre-war level; as to mineral fertilizers, the output of phosphates in 1950 will be double, nitrates 1.8 times above, and potash 1.3 times above that of the pre-war level. Production of synthetic rubber will be doubled, with the share of rubber produced from raw materials other than food crops rising to 38 per cent. of the total output as compared with 1.1 per cent. in 1940. Production of paper is to rise to 1,340,000 tons in 1950, which is 65 per cent. above the pre-war figures.

The Five-Year Plan provides for the rapid restoration and development of the *timber and building materials industries*. Lumber output is to increase to 280,000,000 cubic metres, which represents an increase of 59 per cent. as compared with pre-war output. Production of cement will increase to 10,500,000 tons, or 1.8 times the figure for the pre-war period, and of plate-glass to 80,000,000 square metres, an increase of 1.8 times over the pre-war figures. A new branch of industry, the manufacture of pre-fabricated houses is being established. A programme for mechanising the felling and hauling of timber is being put into effect by the extensive employment of electric saws in felling, trailer tractors in hauling, and motor vehicles and narrow-gauge railways in delivering timber to river and rail heads.

In the output of *foodstuffs and consumer goods* the Five-Year Plan provides for a 17 per cent. annual increase in production, so as not only to restore but also to exceed the pre-war level. The output of cotton goods is to rise to 4,686 million metres, woollen cloth to 159,000,000 metres, silk fabrics to 141,000,000 metres; the production of leather footwear is to increase to 240,000,000 pairs, and

of hosiery to 580,000,000 pairs, a substantial increase over pre-war figures; a big synthetic silk industry is being set up, the output of which is to rise to 4.6 times the pre-war level. Output of meat products is to increase to 1,300,000 tons, animal fats to 275,000 tons, and sugar to 2,400,000 tons, which likewise exceeds the 1940 level.

To conform with the plan for industrial expansion, the *volume of capital investment in industry* is being fixed at 157,500 million roubles for the five-year period. During the 1946-50 period it will be necessary to restore or build and put into operation about 5,900 state enterprises, including 3,200 enterprises in the devastated areas, and this without counting small enterprises.

To ensure the fulfilment of the programme of capital construction and launching of new production units, the Five-Year Plan provides that the building industry shall be expanded and developed and the production of construction machinery increased as fully as possible. The total for the plan of building and installation work during the five-year period is set at 153,000 million roubles. To realise it, building work must be widely mechanised—so that by 1950 excavation work will be mechanised by 60 per cent., ubble crushing by 90 per cent., concrete mixing by 95 per cent., mortar mixing by 90 per cent., concrete pouring by 60 per cent., and painter's work by 50 per cent. of the total volume of work planned.

During the Patriotic War our builders learned to build faster and more economically. But the speed and the costs are not good enough for us to-day. We must build still more economically and still faster. This necessitates first, putting a stop to " gigantomania " in building and eliminating everything unnecessary from technical projects; secondly, building in accordance with estimates, which both the concern placing the order and the contracting concern must mutually check and which must be economical; thirdly, the building concerns must have permanent staffs of workers and their own subsidiary plants for the production of building materials and machinery.

The Five-Year Plan provides for *all-round mechanisation of laborious processes*, especially in the iron and steel and timber and fuel industries, and the installation of more productive equipment, so that the pre-war level of produc-

tion is overtaken and surpassed with a higher productivity of labour.

Mechanisation of labour, improved technique, the further electrification of production and introduction of automatic processes, constitute the central task of Soviet industry as a whole.

The Five-Year Plan provides for an increase in 1946-50 of the *productivity of labour* in industry of 36 per cent. as compared with pre-war figures; this is to be achieved by an increase of approximately 50 per cent. in the technical equipment of the workers, by an extensive programme for improving the skill of workers, engineers and technicians and by making the utmost of the eight-hour working day. An important national-economic task is to attain and to surpass the pre-war level of productivity of labour in the restored enterprises, where we still have not reached the pre-war level of output per worker, taking the average for the whole industry. By mechanising industry, improving organisation of labour and improving the skill of the workers in the restored enterprises in the devastated regions, we shall in the near future be able to increase production to not less than 1.5 times the present level with the present number of workers. These are our reserves and we must make use of them.

To raise the technical level of our national economy and to mechanise labour, a well-developed machine building industry equipped with sufficient highly productive machine tools is essential. The Five-Year Plan provides for an increase in the number of metal working machine tools, to bring it up to 1,300,000, or approximately 30 per cent. more than the number of machine tools in use in the United States of America in 1940. This is fundamental for the technical and economic independence of the U.S.S.R. and for further technical progress in all branches of our national economy.

In addition to the extensive mechanisation and electrification of industry, we must take measures to develop *new technical processes* and production. These include gasification of solid fuel and its use for power supply and chemical purposes, which will obviate the transporting of huge quantities of fuel by delivering gas through pipes and transmitting electric power by wire; extension of electrical engineering to the manufacture of

light-weight and non-ferrous metals, steel alloys, chemical products and metal articles; production of synthetic goods —artificial liquid fuels, rubber and plastics, artificial fibres and leather, and synthetic alcohol; use of oxygen in various technical processes, first and foremost, in the iron and steel and chemical industries; transmission of high tension direct current over long distances, a field in which it is intended to conduct scientific experimental work and to begin practical application; production of modern instruments, especially in the sphere of radio location, and their utilisation in the national economy; development of jet propulsion, use of new types of motors and the achievement of new speeds and powers; investigation of atomic energy in the interests of industry and transport.

To ensure further technical progress we must enlarge our experimental plants, designing bureaux and scientific research institutes, and must build new ones, and must give every material encouragement to the scientific work and invention of our scientists, engineers and technicians.

## Agriculture

In the sphere of agriculture the Five-Year Plan provides for the rehabilitation and further development of farming and stock raising with a view to surpassing the pre-war level of agricultural output of the U.S.S.R. as a whole. In order to speed the rehabilitation and further development of agriculture as far as possible, measures will be taken to strengthen the common economy of the collective farms and to improve the machine and tractor stations and state farms, organisationally and economically. If we put the *gross output* of agriculture in 1932 (First Five-Year Plan) at 100, in 1937 (Second Five-Year Plan) it was 153, and in 1940 (Third Five-Year Plan) 177, while in 1950, the last year of the post-war Five-Year Plan, it will be 225.

The gross harvest of grain gathered by the end of the Five-Year Plan will be 127,000,000 tons, or 7 per cent. more than in 1940, which will provide a better food supply for the people and the requisite reserves of grain in the country. Of the industrial crops, the gross harvest of sugar beet will increase to 26,000,000 tons, or 22 per cent. above pre-war level; unginned cotton to 3,100,000 tons, or 25 per cent. higher than the pre-war figure; flax fibre to 800,000

tons, or 39 per cent. above the 1940 level; and sunflower seeds to 3,700,000 tons, or 11 per cent. above pre-war level. In addition to providing for an enlarged crop area, the Five-Year Plan also envisages the restoration and extension of proper crop rotation, including grasses and legumes, wide use of grass mixtures, especially clover and alfalfa, as well as perennial grains, and also the timely ploughing and good tilling of fallow lands. Considerable improvement will be made in the selection and production of seeds of perennial grasses so that every collective farm and state farm will obtain the seeds it needs for the accepted crop rotation systems. High quality selected seed and improved selected local varieties of grains, legumes, oil-bearing and other crops will be provided. As to grain crops, the present policy of planting only those varieties that have been specially selected for each given district will have been adopted 100 per cent.

In the sphere of *animal husbandry* the Five-Year Plan provides for the restoration and increase of the pre-war numbers of horned cattle, sheep, goats and hogs, i.e., for an increase in the number of horses in this period by 46 per cent., of cattle by 39 per cent., sheep and goats by 75 per cent., and hogs to three times the 1945 figure. In the collective farms the number of cattle will increase to 25,900,000, or 29 per cent. above the 1940 figure, sheep and goats will increase to 68,100,000, or by 62 per cent., and hogs to 11,100,000, or 35 per cent. above 1940. Provision is made for an increase in the productivity of livestock, primarily by seeing to it that every collective and state farm grows adequate supplies of fodder and by improving breeds of cattle by crossing with highly productive stock.

For the rehabilitation and further development of agriculture the Five-Year Plan envisages a *considerable increase in the supply of tractors, farm machines and mineral fertilisers* to the farms. The farms will receive 720,000 tractors (figured in terms of 15 h.p. tractors) in the five-period as compared with 512,000 supplied during the Second Five-Year Plan period.

The total value of farm machines to be supplied in these five years will amount to 4,500 million roubles (in 1926—27 prices) as compared with 1,900 million roubles during the

Second Five-Year Plan period, when the highest output of farm machines and tractors was achieved. The production of farm machines of improved design and new machines for the mechanisation of work on industrial crops,* fodder, potatoes and other vegetables is being organised as well as that of machines for the mechanisation of labour on livestock farms.

The manufacture and delivery of mineral fertilisers (nitrates, phosphates and potash) will amount to about 17,000,000 tons during the five-year period, as compared with 8,700,000 tons during the Second Five-Year Plan period. The Five-Year Plan will fully ensure the supply of mineral fertilisers needed for industrial crops, and will also considerably increase the fertiliser supply for other crops, especially for potatoes and other vegetables. The Five-Year Plan provides for a 1,620,320 acre increase in the *irrigated area* and the drainage of 1,519,000 acres.

In addition to the further mechanisation of farm work the *electrification* of collective farms, machine and tractor stations and state farms will also be undertaken on a bigger scale. The Five-Year Plan provides for the building in rural areas of small hydro-electric stations with a total capacity of 1,000,000 kw., which will make it possible to electrify not only machine and tractor stations and state farms, but many thousands of collective farms as well.

By replacing and increasing the number of farm machines, by increasing supplies of mineral fertilisers, and by widely extending grass crops, as foreseen by the Five-Year Plan, we shall be able to *increase considerably crop yield and total output of farm produce*. This is the major target of agriculture in the next five years.

Agriculture can only be rehabilitated and rapidly developed by the socialist method of production, which has proved its virility both in peace and in the years of the Patriotic War. For the rapid restoration and further progress of agriculture we must, first, in every way strengthen and increase the common property of the collective farms, rapidly restore and develop the cattle-breeding farms and increase the socially-owned capital; secondly, enhance the

* Crops yielding oils, fibres or other substances for use in industry.

role and significance of the work-day unit in the organisation of production and the distribution of the income of the collective farms—the work-day unit* must again bring generous reward; thirdly, widely practice the payment of bonuses to collective farmers who produce bigger harvests, enlarge the cattle herds and increase their yield; fourthly, build up on the state farms permanent staffs of married workers by assigning them plots of land and by assisting them to acquire their own houses and domestic livestock with the help of the State.

Futhermore, assistance must be given to the peasant farms in the Lithuanian, Latvian, Estonian and Moldavian Union republics, and in the western regions of the Ukrainian and Byelorussian S.S.R., by developing co-operative farming, by increasing the number of machine and tractor stations and hiring centres, by providing credits and by increasing the shipment and sale of farm machinery and mineral fertilisers.

## Transport and Communications

In order to carry out the above programme for material production and construction the Five-Year Plan makes provision for an *increase in rail, water and motor-borne freight*, from 215,000 million ton kilometres in 1932, 430,000 million ton kilometres in 1937 and 483,000 million ton kilometres in 1940 to 657,500 million ton kilometres in 1950, or 36 per cent, above the pre-war level.

As regards *rail transport*, the Five-Year Plan provides for an increase in the average daily car loadings to 115,000 and in freight carriage to about 532,000 million ton kilometres, or 28 per cent above the pre-war level.

In order to satisfy the freight carriage needs of the national economy, first and foremost in the southern regions of the Urals and Siberia, the Five-Year Plan makes provision for the capital restoration of the railways in the former occupied regions, the building of new main lines, the creation of a reserve capacity on the important lines, and the technical re-equipment of the railways to ensure their regular operation especially under winter conditions,

* The entire net income in cash and kind is distributed among the members of the collective farm in accordance with the number of work days credited to each.

primarily by the introduction of electric and diesel locomotives on a number of roads.

To carry through these tasks the Five-Year Plan provides for an increase of 6,165 steam, 555 electric and 865 diesel locomotives of domestic manufacture and an increase of 472,000 freight cars (in terms of two-axle units). The number of locomotives produced and delivered to the railways will increase from 5,960 in the Second Five-Year Plan to 7,585 in the five years 1946-50, while the supply of freight cars will increase from 255,000 in the period of the Second Five-Year Plan to 472,000 in the post-war Five-Year Plan period.

Besides capital reconstruction of the railway network in the devasted areas new railway lines, to a total length of 7,230 kilometres, will be built, 3,550 kilometres falling to the share of Siberia. Secondary tracks to be restored or newly built will total 12,500 kilometres. The railways to be electrified total 5,325 kilometres, and include the Kuzbas-Urals line. To provide for this development the Five-Year Plan envisages the manufacture and supply of 4,500,000 tons of rails and 185,000,000 million sleepers for the railways.

A most important condition for the fulfilment of the Five-Year Plan as far as increasing freight traffic on the railways is concerned, is the speeding up of freight car turnover from 10.9 days in 1945 to 7 days in 1950, by decreasing the length of hauls, eliminating irrational shipments and excessive loss of time due to rolling stock standing idle on the railways and industrial spur lines. By accelerating the car turnover by one day only, we can increase the number of carloadings daily by about 6,000.

For the restoration and development of railway transport the Five-Year Plan provides for capital investment of 40,100 million roubles. This programme must be definitely fulfilled in order to establish the necessary vital conditions for the restoration of the whole national economy of the U.S.S.R.

As regards *water transport*, the Five-Year Plan makes provision for a 38 per cent. increase in 1950 in river-borne freight, and a 2.2-fold increase in sea-borne freight transport as compared with that of the pre-war period. The work of converting the Northern Sea Route into a normally operating shipping lane will be continued.

The Five-Year Plan provides for a rapid development of Soviet shipbuilding. In 1950 the programme for the construction of sea-going vessels is to be 2.5 times, and of river vessels four times that of 1940. The Five-Year Plan envisages the construction of a strong Soviet marine and also the restoration and new construction of sea and river ports. The river and deep-sea fleets of the U.S.S.R. will be increased in the five-year period by 3,600,000 tons, and self-propelled river vessels by 300,000 h.p.

There will be a further development in *automobile transport* and the building of motor roads; the number of automobiles in the country will be doubled as compared with the pre-war figure; air transport will be rapidly developed.

In conformity with the general plan for electrical communications in the U.S.S.R., the Five-Year Plan provides for the development of radio communication and the completion of the organisation of reliable telephone and telegraph communication between Moscow and all republic, territorial and regional centres, as well as between the capitals of the constituent republics and their regional centres; all district centres, village soviets, machine and tractor stations and state farms will have telephones.

Speedy restoration and development of transport and communications should facilitate the development of the productive forces of the Soviet Union.

* * *

The post-war reconversion of national economy requires that we should reinforce the part to be played in organising production and distribution by such levers as prices, currency, credit, profit and bonuses. State planning of national economy in the U.S.S.R. makes use of the law of value in consolidating socialist production and developing it—with this difference, that Soviet economy excludes any opportunity of transforming value into capital which exploits labour.

The systematic lowering of production costs is a law of Socialist production. It is a source of increased accumulation and growing consumption. The Five-Year Plan provides for a 17 per cent. reduction in costs of production in industry, a 16 per cent. reduction in the cost of tractor work done by machine and tractor stations, and

an 18 per cent. reduction of rail transport costs; this to be accompanied by an all-round improvement in the quality of industrial products, agricultural produce and transport services. The total economies effected by reducing production costs in the period 1946-50 in industry, transport, state-owned machine and tractor stations and state farms should amount to some 160,000 million roubles as compared with 1945.

The restoration and further development of material production in the U.S.S.R. will therefore proceed on the basis of progressively expanding Socialist reproduction, which provides for:—

(a) rapid rates of planned development in all branches of material production,

(b) constant growth of the basic capital of the country, assured out of domestic resources, and

(c) the further raising of the standard of living of the working people and the promotion of technical progress.

## III.

## PLAN FOR THE MATERIAL AND CULTURAL ADVANCEMENT OF THE PEOPLE

THE people of the Soviet Union suffered untold material privations in the Patriotic War and made great sacrifices to achieve the victory of our country. One of the prime purposes of the Five-Year Plan is to provide material and cultural standards of life worthy of a victor nation.

The growth of material production will ensure a substantial rise in the *national income;* by 1950 it is to be 38 per cent. greater than the pre-war figure. The national income of Russia in 1913 was 21,000 million roubles; in the period of the First Five-Year Plan it rose to 45,500 million roubles, in the period of the Second Five-Year Plan to 96,300 million roubles, and in the period of the Third Five-Year Plan, that is by 1940, to 128,300 million roubles. In 1950 the national income will amount to 177,000 million roubles (measured in 1926-27 prices). With the reduction of war expenditures the share of consumption in the total national income will increase in the five-year period to 73 per cent.,

and of accumulation to 21 per cent. while the state reserve will be about 6 per cent.

The number of factory and office workers engaged in the national industry of the U.S.S.R. in 1950 will have increased to 33,500,000. The average annual increase in national industry during the coming five years will be approximately 1,250,000.

In addition to the youth trained under the labour reserve scheme for the supply of skilled workers for industry, building and transport, the Five-Year Plan provides for:

(a) the training of 5,400,000 unskilled workers in the common industrial trades by means of individual and group instruction;

(b) the training of 2,300,000 tractor drivers, combine operators and other skilled personnel for the farms;

(c) raising the skill of 13,900,000 workers directly on the job.

The principal source from which workers in both the highly skilled and more common trades will be drawn are the state labour reserves, which will supply 4,500,000 young workers for industry in the five-year period. The graduation of specialists from the higher and special secondary schools during these five years will effect an increase of 1,900,000 engineers and technicians.

The drawing of new labour power into industry, transport and construction is of paramount importance for the realisation of the Five-Year Plan. We have quite a number of business executives who expect to be "provided" with labour power through mobilisation. These executives do not understand that the difficulties in meeting post-war labour power requirements are not accidental and can be overcome only by adopting new methods. In order to guarantee a supply of labour power, enterprises must resort to the organised hiring of labour through agreements with individual workers and collective farms; work must be mechanised in every possible way and better living and working conditions must be provided by the factories so as to lighten labour and to raise the skill of the workers. It must not be forgotten that industrial and office workers, like the working people generally, are demanding improved

living and cultural standards now that the war is over and it is our duty to satisfy these demands.

The total *pay roll* in national industry will increase by 1950 to 252,000 million roubles as against 162,000 million roubles in 1940. Average annual earnings per employee will increase along with the growth in labour productivity and by 1950 will exceed the 1940 level by 48 per cent. With a view to attracting labour to the basic branches of industry and creating permanent cadres of workers, the Five-Year Plan provides for higher wages to workers, engineers and technicians in such branches of heavy industry as iron and steel, coal and oil. This is in accord with the Soviet Government's wage policy which is to offer higher remuneration not only for higher skill but also for work of an arduous nature. To enhance the role of wages as a stimulus to labour productivity and the fulfilment of state plans, it is necessary to make better use of the progressive piece rate system, as well as of the system of bonuses to engineers and technicians for fulfilment and over-fulfilment of production plans, systematically increasing the share of bonuses to total earnings.

State expenditures for *cultural and social services* in town and country (not including state expenditures for urban construction) are to increase under the Five-Year Plan to 106,000 million roubles in 1950, which is 2.6 times the figure for 1940.

In the field of public education the Five-Year Plan will concentrate on the task of restoring the universal education of children from the age of seven, both in town and country, which was interrupted by the war. To this end the number of elementary, seven year and secondary schools will increase by 1950 to 193,000, i.e., to the pre-war figure, while the number of pupils will rise to 31,800,000. A broad system of schools will provide tuition for that section of the working and peasant youth which during the war and the temporary occupation of a number of Soviet areas was deprived of normal schooling.

The number of students in higher educational establishments is to increase by 1950 to 674,000, and the number of students in special secondary schools to 1,280,000. The Five-Year Plan provides for the extension of the training of specialists at higher and secondary schools for the iron and

steel, fuel and power industries, for agriculture and the railways, of teachers for elementary and secondary schools, as well as the training of highly skilled specialists in the new branches of engineering.

It is planned by 1950 to increase the number of children in kindergartens to 2,260,000, which is double the 1940 figure. The upbringing of children who lost their parents in the war is to be fully provided for by state-maintained children's homes. The number of hospital beds is to be increased by 1950 to 985,000, as against 710,000 in 1940, and the number of places in permanent child nurseries to 1,251,000, as against 859,000. The network of rest homes and sanatoriums for workers, peasants and intellectuals is to be fully restored, and medical services to war invalids will be assured.

The number of film projection units is to be increased by 1950 to 46,700, as against 28,000 in 1940. District centres and urban settlements will have their permanent cinemas. The number of permanent cinemas in rural areas is to be considerably increased. The network of theatres, clubs and public libraries in towns and villages will be fully restored. Television and colour films are to be further developed.

The Five-Year Plan provides for the *restoration of the wrecked houses in towns and villages* in the former occupied areas, as well as new housing construction throughout the territory of the U.S.S.R., on a scale that will ensure an improvement in housing conditions in town and country.

It is proposed in these five years to invest in housing construction 42,300 million roubles and to provide an additional 72,400,000 square metres of floor space in state-owned houses in towns and workers' settlements. In order to ensure the rebuilding and an increased number of houses, construction must be placed on an industrial footing, details, sections and parts being produced in factories and assembled on the territory of the given town or settlement.

To this end the Five-Year Plan provides for the factory production of houses with a total output of 4,200,000 square metres of floor space by 1950. These prefabricated houses are to be put up and finished architecturally in accordance with the layout of the town or settlement. The restoration of towns and settlements must begin with the restoration

and organisation of plants producing brick, lime, cement, glass, roofing and woodwork.

In order to build up permanent cadres of workers in industry, transport and agriculture, arrangements must be made for the sale of private homes manufactured by state enterprises to workers, engineers and technicians with the help of long-term state loans. Workers and intellectuals should be encouraged to use their personal savings to build themselves homes.

The Five-Year Plan provides for the restoring and construction of 3,400,000 houses in rural localities by collective farms and peasants with their own funds and with the aid of state loans, 2,240,000 such houses to be built in the former occupied areas. Assistance must be rendered to peasants and rural intellectuals in restoring and building homes both by granting them loans and by organising the sale of building materials and factory-made parts.

The volume of state and co-operative *retail trade* is to increase by 1950 to 275,000 million roubles (with allowance for the reduction of 1945 prices), which is 28 per cent. above the figure for 1940 (at 1940 prices).

With the reduction of non-marketable stocks, mainly those earmarked for military consumption, marketable stocks of foodstuffs will increase 23 per cent. by 1950 as compared with 1940. Marketable stocks of industrial goods will increase 36 per cent. by 1950 as against the pre-war level of 1940. Marketable stocks will have increased to a considerably greater extent in 1950 than in 1945, when our country was still at war and could not produce a sufficient quantity of goods for the civilian population. In this way the pre-war per capita consumption of basic foodstuffs and consumer goods will not only be reached but substantially exceeded.

The Five-Year Plan provides for an extensive retail trade in household goods and modern appliances. The increase in marketable stocks of foodstuffs, textiles and footwear will be accompanied by an increase in the sale of such manufactured goods as bicycles, radio sets, furniture, refrigerators, motor-cycles, hunting rifles, musical instruments, automobiles, building materials and prefabricated private houses.

The Five-Year Plan envisages the abolition of the ration system and the transition to unrestricted Soviet trade. In 1946 it is planned to abolish ration cards for bread, flour, cereals and macaroni, and in the course of 1946-47 the rationing of all other goods will be abolished. The expansion of Soviet trade as a result of the abolition of the rationing system and a steady reduction in prices will substantially enhance the value of the Soviet rouble in the entire economic life of the country.

Thus, the Five-Year Plan for the restoration and development of the national economy of the U.S.S.R. provides for the systematic raising of the living standards of the people by:

(a) steadily reducing the prices of goods and strengthening the Soviet rouble;

(b) increasing housing to the maximum and extending cultural and social services to the population;

(c) increasing wages in step with the growth in labour productivity and the skill of the workers;

(d) increasing payments in kind for work-day units and raising the common income of the collective farms;

(e) increasing bonuses for fulfilment and over-fulfilment of state plans and for discoveries in science and engineering.

## IV.

## PLAN FOR THE REHABILITATION AND DEVELOPMENT OF THE NATIONAL ECONOMY OF UNION REPUBLICS

IN distributing the productive forces among the Union Republics and economic areas of the U.S.S.R., the Five-Year Plan is governed by the need to restore the economy of the devastated areas and further to develop the economy of all the Union Republics and economic areas of the country with a view to bringing industry as close as possible to the sources of raw materials and the consumers and to eliminating unnecessary long-distance freight hauls. In this connection the Five-Year Plan provides for the following:

(a) the elimination, in the process of restoring industry and transport in the devastated districts of the R.S.F.S.R.,

the Ukrainian, Byelorussian, Lithuanian, Moldavian, Latvian, Estonian and Karelo-Finnish Soviet Republics, of defects in the pre-war distribution of industry, so as to restore and develop in all these areas their own production of power, fuel, building materials, consumer goods and food products;

(b) increased capital construction in all the Union Republics and economic areas of the U.S.S.R., especially in Siberia and the Far East. Out of the total capital investments in the national economy of the U.S.S.R. in the five-year period some 115,000 million roubles is to be set aside for restoration in the devastated areas and about 135,000 million roubles of centralised capital investments for economic development in other districts of the country;

(c) development in all Union Republics of the local production of electric power, fuel, building materials and consumer goods; further improvement and extension of market gardening and livestock farming in the vicinity of cities and industrial centres to ensure an adequate supply of vegetables and potatoes, and to cover a substantial part of their milk and meat requirements;

(d) restriction of the construction of new industrial plants in Moscow, Leningrad, Kiev, Kharkov, Rostov, Gorky and Sverdlovsk; the Five-Year Plan provides for the distribution of industrial enterprises in new areas and cities possessing the requisite fuel, power and raw material resources;

(e) further promotion of co-operation among allied industries within each economic area, this to include the supply of castings, forgings and stampings. The casting and forging plants installed during the war must be used to the maximum in the production of industrial equipment, agricultural machinery and consumer goods.

In the areas of the U.S.S.R. where the fascist vandals held temporary sway we have to revive the wrecked towns and villages, industry, transport, agriculture and cultural institutions and create normal living conditions for Soviet people liberated from fascist slavery. Thousands of industrial enterprises, more than 1,800 state farms and 3,000

machine and tractor stations were partially restored in these districts during the war; 85,000 collective farms, nearly 6,000 hospitals and more than 70,000 schools have been restored. Some 17,900,000 square metres of living space have been built or restored in the towns that were occupied by the enemy, and 1,260,000 houses in rural localities.

Nevertheless, only a small part of the restoration work in the areas of the U.S.S.R. occupied by the enemy has been accomplished so far.

The main tasks of economic rehabilitation as outlined by the Five-Year Plan in the areas of the R.S.F.S.R. and the Ukrainian, Byelorussian, Lithuanian, Moldavian, Latvian, Estonian and Karelo-Finnish Soviet Republics which were occupied by the enemy are:

first, to achieve the pre-war level of industrial production and further economic advance by means of the maximum mechanisation of labour and the wide-scale introduction of modern engineering methods, which will mean increasing industrial output in these regions in the five-year period 3.9 times, coal output 2.1 times, iron output 5.1 times, and electric power output 4.4 times;

secondly, to restore the lines and carrying capacity of the railways, waterways and motor transport so as to recover the pre-war level of freight traffic and then to increase it; this means increasing rail-borne freight in the devastated areas in the five years 2.3 times and the river-borne freight 6.5 times;

thirdly, to restore agriculture, the source of food and raw material for the national economy and the population of the U.S.S.R.; collective farms and machine and tractor stations must be strengthened organisationally and economically in every way, which means an increase during the five-year period in the above-mentioned districts of grain production by 87 per cent., sugar beet 220 per cent., sunflower seeds 73 per cent., cattle 52 per cent., and hogs 220 per cent.;

fourthly, to restore the towns and villages wrecked by the invaders, giving priority to housing, which means providing 33,200,000 square metres of housing space (state

owned only) during the five-year period; to raise the living standard of the population and at the same time to increase labour productivity, which is at present inadequate; to restore the retail trade of state and co-operative organisations, which will involve a 120 per cent. increase in the five years; and to restore the pre-war network of schools, cultural and health institutions.

Tasks of such magnitude can be accomplished and a rate of development on such a scale achieved only by drawing upon new local reserves and by extensive development of local inititiative. The rehabilitation of the former occupied regions and the further development of all the economic areas of the U.S.S.R. must be accomplished by strengthening and developing the *economy of the republics* within the general framework of the national economy of the U.S.S.R. Accordingly, the Five-Year Plan provides for an increase in capital investment in industries controlled by the republics of 29,500 million roubles, which is more than double the capital invested during the period 1938-42, as well as an increase in the industrial output of republic enterprises so as to bring it up to 56,300 million roubles by 1950, which is a 28 per cent. increase over the 1940 level, and an 80 per cent. increase in output of locally controlled industries.

The Union Republics must display the fullest initiative in assisting the restoration and development of the productive forces of the U.S.S.R. and the promotion of trade between town and country. Building materials, fuel and consumer goods produced by local industries and industrial co-operatives must be entirely under the control of the government of each Union Republic, which shall decide what portion of output is to remain for internal consumption in the republic and what portion is to be used for commodity exchange with other Union Republics, the general state regulation of retail prices being at the same time preserved.

In addition to the general task of developing the economy of the republics outlined above, the Five-Year Plan lays down the following programme for individual Union Republics.

**The Russian Soviet Federative Socialist Republic.**—In 1950 industrial production will be 56 per cent. higher than

in 1940. Capital investments for the restoration and development of all branches of industry, agriculture, transport, as well as of towns and villages will total 145,000 million roubles for the five-year period, including 35,600 million roubles for Siberia and the Far East. Iron output in the five years as compared with 1940 is to increase 66 per cent., coal output 97 per cent., while oil output is to be doubled. In the Northern districts the output of Pechora coal is to increase rapidly; output of Ukhta oil and gas is to be expanded; the output of lumber is to be increased 2.9 times. In the North-West areas it is planned to restore and further develop machine-building, especially shipbuilding; the construction of an iron and steel plant is to be pushed in the Leningrad district; the city of Leningrad will again assume the rank of a major industrial and cultural centre of the country and recover its pre-war level of industrial production, although on a higher technical plane. In the Central areas the extension of the peat and coal industry, primarily in the Moscow coalfield, and the development of local iron ore extraction are provided for; new installations with a total capacity of 2,000,000 k.w. are to be set up in the power stations, and reserve plants set up; the construction of two new hydro-electric stations, one on the Oka and the other on the Volga is planned. With a view to further promoting the economic and cultural development of Moscow and improving the living conditions of its population, the work on the general plan of reconstruction of the Soviet capital is to be continued. In the Volga areas the industrial and municipal economy of Stalingrad is to be restored; oil output is to be increased 11 times as compared with 1940: the production of automobiles is to be started. In the North Caucasus and the Crimea the rapid restoration and extending of all branches of industry and agriculture in this rich and fertile section of the republic is to be assured. In the Urals area iron output is to increase 2.5 times as compared with 1940, coal 2.7 times, and oil 3.2 times; power producing capacity is to be increased by 1,300,000 k.w. and a hydro-electric station is to be built on the Kama; the output of lumber during the five-year period is to increase 2.7 times; the present incapacity of the railways to meet the growing requirements of the Urals economy is to be

eliminated. In the districts of Western Siberia the further development of the Kuzbas coal industry and the opening of the local ore supply for the iron and steel industry will be ensured; machine building, especially tractor building, is to substantially expanded and the production of motor vehicles begun; the electrification of railways will be undertaken on an extensive scale; the role of Western Siberia as one of the country's major grain and livestock producers is to be improved; the Siberians must revive the fame of Siberian butter. In the districts of Eastern Siberia the production of synthetic liquid fuel is to be started; railway construction is to be extended and another trunk line built in the Eastern part of the U.S.S.R. to open up new districts. In the Far East an all-round development of industry, especially iron and steel, power, fuel and shipbuilding, is contemplated; all forms of transport are to be developed; agricultural production is to be expanded with a view to reducing the importation of food supplies from other districts.

**The Ukrainian Soviet Socialist Republic.**—The pre-war level of industrial production is to be restored and by 1950 exceeded. Total capital investments for the restoration and further development of Ukrainian economy is fixed at 49,500 million roubles for the five-year period. The iron and steel industry of the South, the coal industry of the Donbas, power production, the chemical industry, railway transport heavy and transport machine building, shipbuilding and the food industry are to be restored and further developed; the manufacture of motor vehicles is to be started and a major coal centre opened up on the right bank of the Dnieper and in the Western Ukraine; 182 large coal mines are to be restored and 60 new pits sunk in the Donbas; 30 blast furnaces, 76 open hearth furnaces and 54 rolling mills are to be put into operation; power capacity is to be increased by 2,574,000 kw.; the Lenin Hydro-electric Station on the Dnieper will be restored. The agriculture of the Ukraine, one of our major producers of cereals, sugar beet, vegetable oil and livestock, is to be restored. Not only is the industrial might of the Ukraine to be restored, but so also is the fertility of her soil and abundant production food—grain, sugar, butter and the celebrated Ukrainian bacon.

**The Byelorussian Soviet Socialist Republic.** — As a result of the restoration and further development of its

economy, the industrial production of the republic will have increased by 16 per cent. in 1950, as compared with the pre-war figure. Total capital investment for the restoration and development of the republic's economy is fixed at 7,000 million roubles for the five-year period. Agriculture is to be fully restored, flax growing and hog-breeding are to be rapidly developed. The promotion of the fuel and power industries is to be ensured first of all. A tractor and automobile industry is to be created. Power stations with a total capacity of 243,000 kw., are to be put into operation; the output of peat is to be trebled. Measures for the draining of land for agriculture will be taken, and the breeding of fish in ponds substantially extended.

**The Uzbek Soviet Socialist Republic.** — Industrial production is to increase in the five years by 89 per cent., as compared with 1940. Total capital investment in the republic's economy in the five years is fixed at 3,900 million roubles. The Five-Year Plan envisages the further development of the Uzbek S.S.R. as the principal cotton producer of the country, as an area with developed sericulture, horticulture and livestock breeding, especially caracul sheep breeding. The cotton area is to be increased to 2,361,000 acres; 1,136,000 acres of neglected and unutilised irrigated land are to be brought under cultivation and 427,310 acres of land is to be made arable by irrigation. Uzbek cotton growing must be fully restored and further developed. At the same time a considerable development of the textile, light and food industries, non-ferrous metallurgy, the oil industry, chemical fertiliser production, agricultural and textile machine building, as well as the power industry of the republic is provided for; during the five-year period hydro-electric stations with a capacity of 266,000 kw., are to be put into operation.

**The Kazakh Soviet Socialist Republic.** — In 1950 industrial production will be 2.2 times greater than in 1940. Total capital investment in the republic's economy during the five years is fixed at 8,800 million roubles. Further development of the non-ferrous metals, coal mining and oil industries is outlined; coal extraction is to increase by 134 per cent., and oil extraction by 75 per cent, as compared with 1940; the iron and steel industry will be expanded; the production of mineral fertilisers is to be organised; railway transport will be substantially developed. A further advance

in stockbreeding and grain growing is to be ensured; bigger industrial crops will be grown. Extensive construction of small irrigation systems to create supplementary irrigated areas in the steppe districts of the republic is envisaged.

**The Georgian Soviet Socialist Republic.** — Industrial production will be 50 per cent. greater in 1950 than in 1940. Capital investment in the republic's economy in the five years will total 4,100 million roubles. Further expansion of the manganese and coal-mining industries is planned. A large domestic iron and steel supply centre is to be set up in Georgia. An automobile industry is to be begun; the construction of hydro-electric stations will be widely undertaken; the building of the Samgor irrigation system is planned. The cultivation of sub-tropical and essential oil plants is to be considerably extended. So is the cultivation of citrus fruits, particularly lemons and oranges; sericulture and stock-breeding are to be expanded.

**The Azerbaijan Soviet Socialist Republic.** — In 1950 industrial production will be 18 per cent. greater than in 1940. Capital investment in the republic's economy will total 5,900 million roubles. Oil extraction and refining are to be rapidly restored and further developed; during the five-year period oil extraction is to increase 1.5 times. The manufacture of steel pipes is to be started; the power and engineering industries serving the oil industry are to be expanded. Construction of the Mingechaur hydro-electric station and the irrigation work associated with it is to be developed. The irrigation area will be enlarged, the area under cotton, particularly long-fibre varieties, extended, grain and vegetable production increased, and fruit orchards and vineyards expanded.

**The Lithuanian Soviet Socialist Republic.** — In 1950 industrial production is to be 80 per cent. greater than in 1940. Capital investment in the republic's economy in the five years will total 1,500 million roubles. The complete restoration and further development of the republic's industry and agriculture are planned, first consideration to be given to the food industry, the manufacture of farm machinery, the fuel and power industry, as well as cattle-breeding, hog-raising and poultry farming.

**The Moldavian Soviet Socialist Republic.** — In 1950 industrial production is to be 78 per cent. greater than in

1940. Capital investment in the republic's economy in the five years will total about 1,200 million roubles. The restoration and further development of industry, in the first place wine-making and canning, are outlined. Agriculture will be restored and further developed, first of all viticulture and horticulture; the area sown to maize is to be enlarged.

**The Latvian Soviet Socialist Republic.**—In 1950 industrial production is to be 80 per cent. greater than in 1940. Capital investment in the republic's economy in the five years will total 2,000 million roubles. The restoration and development of the power system, the fuel and metal-working industry, shipbuilding, the light industries, the fishing industry and the pulp and paper industry are planned. Agriculture, especially cattle-breeding and hog-raising, is to be restored and further developed.

**The Kirghiz Soviet Socialist Republic.**—In 1950 industrial production is to be 2.1 times greater than in 1940. Total capital investment in the republic's economy in the five years will amount to 1,200 million roubles. The further development of stockbreeding, an extension of the cultivated area and an increase in the yield of industrial crops are planned; construction of the Orto-Tokoi reservoir and the Great Chui Canal is to be extended; there will be further advances in coalmining, the extraction of rare and non-ferrous metals, the food industry and the textile industry.

**The Tajik Soviet Socialist Republic.**—In 1950 industrial production is to be 56 per cent. greater than in 1940. Total capital investment in the republic's economy during the five years will be 1,200 million roubles. The further development of cotton growing, particularly of long-fibre varieties, and of stockbreeding are planned; development of the ore-mining, textile and food industries is envisaged.

**The Armenian Soviet Socialist Republic.** — In 1950 industrial production is to be 2.1 times greater than in 1940. Capital investment in the republic's economy in the five years will aggregate 1,400 million roubles. Development of the chemical industry and non-ferrous metallurgy utilising the water-power resources of Lake Sevan is planned. The textile and food industries are to be expanded. The development of stockbreeding, sugar

beet cultivation, sericulture and also viticulture and fruit growing will be ensured by an extension of the irrigated area.

**The Turkmenian Soviet Socialist Republic.**—In 1950 industrial production is to be 76 per cent. greater than in 1940. Capital investment in the republic's economy in the five years will total 1,600 million roubles. A further advance in cotton growing and in stockbreeding, particularly the raising of caracul sheep, is planned. Irrigation work is to be undertaken in the Tejen and Murgab river basins. Rapid development of the oil industry is to be ensured, extraction to increase by 1.8 times during the five-year period. The chemical, textile and food industries will be further developed .

**The Estonian Soviet Socialist Republic.** — In 1950 industrial production is to be three times as great as in 1940. Capital investment in the republic's economy during the five years will total about 3,500 million roubles. Complete restoration of the republic's economy is planned, with the restoration and further development of the shale extraction and refining industry taking first place, then the power system, machine building and the food and cotton textile industries. Restoration and the expansion of agriculture, primarily cattle breeding and hog raising, are provided for.

**The Karelo-Finnish Soviet Socialist Republic.**—In 1950 industrial production is to be 11 per cent. greater than in 1940. Capital investments in the republic's economy during the five years will total 1,600 million roubles. The restoration and further development of the lumber, woodworking, paper and ore mining industries are planned. Agriculture will receive further help.

The Five-Year Plan for the restoration and development of the national economy of the U.S.S.R. thus provides for the all-round economic development of the Union Republics, as equal members of the great Union of Soviet Socialist Republics.

## V.

## FOR A NEW AND POWERFUL ADVANCE OF THE NATIONAL ECONOMY OF THE U.S.S.R.

MUCH labour, energy and knowledge will have to be invested to realise the Five-Year Plan for the rehabilitation and development of our national economy. We shall all strive not only to fulfil but to overfulfil the Five-Year Plan. This is not the first time the people of the Soviet Union are having to restore their enemy-devastated economy. Twenty-five years ago the Soviet country, having inherited a ruined economy from the First World War and the Civil War, set about restoring its national economy. In this the people of the Soviet Union triumphed because they were guided by our great leaders, Lenin and Stalin. The Soviet state emerged from the ordeal of those years with credit, and demonstrated the potentialities inherent in the Socialist Revolution.

Now, after the Second World War, the Soviet people are again working heroically, tackling the difficulties of economic rehabilitation under the tried and tested banner of Leninism, under the guidance of our leader, the great Stalin. We have everything needed to cope with the problems of rehabilitation and to promote a new economic advance in an even more organised fashion and in a short period.

After the First World War and the Civil War it took the U.S.S.R. about six years to bring industrial production back to the pre-war, 1913 level. The Five-Year Plan contemplates restoring the pre-war, 1940 level of industrial production of the U.S.S.R. in 1948, and by the end of the five years this level will be considerably surpassed. We thus propose to rehabilitate our industry twice as rapidly as during the restoration period following the First World War and the Civil War.

The industry of the Urals and Siberia will be a cardinal factor in accelerating the rehabilitation of the national economy. In 1920 industrial production in the Urals was less than one-sixth that of 1913; iron output was only one-eleventh, coal output had fallen 23 per cent., and the output of electric power had dropped by 85 per cent. In

1945 industrial production in the Urals more than trebled that of 1940; iron production had almost doubled; coal extraction had more than doubled, and the output of electric power had doubled. The industries of the Urals and Siberia are the pride of Soviet industry, and it is our task to strengthen and develop them in every way.

We have all the necessary conditions to enable us to rehabilitate our national economy at a rapid rate. Our Soviet cadres, our Soviet intelligentsia have made big strides. The people of the Soviet Union have advanced culturally and have been through the historic school of socialist construction. The industrial base in the eastern and central districts of the U.S.S.R. has grown in size and strength. Exploiting classes have been abolished in the U.S.S.R.; the peoples of the Soviet Union have attained an unprecedented moral and political unity. They cherish a deep trust and esteem for the Communist Party and the Soviet Government, headed by our leader, Stalin. In this lies our strength and the pledge of our victory.

We have to achieve rapid progress in industry, agriculture, transport and the building industry. A slower speed in restoring and further developing the national economy of the U.S.S.R. would mean that we would lag behind—and those who lag behind are beaten. That is why the rate of development provided for in the Five-Year Plan is essential to us. To guarantee this rate of restoration and development of our national economy we must:

first, ensure swifter progress of heavy industry, without which it will be impossible to promote the development either of agriculture or transport, or to create an abundance of food resources in the country, and, consequently, to provide material prosperity for the people;

secondly, strive ceaselessly for further technological progress, without which we cannot ensure swift restoration and development of the national economy, nor solve the problem of the competition of economic systems in the world arena;

thirdly, continue in the future to have substantial economic reserves. The decline in production in certain branches of industry in the winter months can be success-

fully overcome, and the speed of reproduction consequently accelerated, if we provide our enterprises with adequate reserves of raw material and fuel;

fourthly, create stable cadres of workers, technicians and engineers at the enterprises, which should ensure high skill, productivity and socialist discipline in labour. In this way we shall overcome the difficulties of the post-war restoration and development of our national economy. These difficulties will be overcome—of that our heroic people, the tried and tested socialist state and the guiding force of our advance, the Party of Lenin and Stalin, are the guarantee.

Guided by the advice of Lenin and Stalin that complacency or laxity after the achievements of victory are utterly impermissible, we must call upon our workers, peasants and intelligentsia to devote all their energies to speeding to the utmost the restoration and further advancement of our national economy, and to improving the material and cultural standards of the Soviet people. Stalin has warned us that we cannot limit ourselves to consolidating the positions won, for that would only lead to stagnation—" we must march on and create the conditions for a new and powerful economic advance."

Under the leadership of the Communist Party the peoples of the Soviet Union will successfully fulfil and overfulfil the new Stalin Five-Year Plan!

Forward, to new victories under the leadership of the great Stalin!